MYSORE LEGISLATIVE COUNCIL

NOTIFICATION.

No. 4778—*L. C., Bangalore, dated 7th June* 1946.

Under S. O. 36 of the Mysore Legislative Council Standing Orders, the following Report of the Select Committee on the Mysore Income-tax (Amendment) Bill and the Bill as amended by the Select Committee are published for general information.

By Order,

K. PHEROZESHAW POONEGAR,
Secretary,
Mysore Legislative Council.

REPORT OF THE SELECT COMMITTEE ON THE MYSORE INCOME-TAX (AMENDMENT) BILL.

1. We, the members of the Select Committee to which the Mysore Income-tax (Amendment) Bill was referred, have considered the several clauses of the Bill and have the honour to submit the following Report :—

Clause 2.—In the proposed Section (6-C) for the expression "Mutual Insurance Company" we recommend that the expression "a Mutual Insurance Association" may be substituted, since Rule 8 in Schedule III uses that expression.

Clause 5.—We are of the opinion that the words "written down value" now used for the first time in section 10 should be clarified, and we therefore recommend that sub-clause (*b*) of clause 5 which proposes the addition of sub-section (5) to section 10, may be re-numbered as sub-clause (*c*) and before the sub-clause as so re-numbered, the following sub-clause shall be added :—

"(*b*) For sub-section (3) the following sub-section shall be substituted, namely—

'(3) In sub-section (2), 'paid' means actually paid or incurred according to the method of accounting

upon the basis of which the profits or gains are computed under this section; 'plant' includes vehicles, books, scientific apparatus and surgical equipment purchased for the purposes of the business, profession or vocation; and 'written down value' means—

(*a*) in the case of assets acquired in the previous year, the actual cost to the assessee;

(*b*) in the case of assets acquired before the previous year the actual cost to the assessee less all depreciation actually allowed to him under this Act, or any Act repealed thereby:

Provided that where the provisions of the proviso to sub-section (2) of section 26 are applicable, the actual cost to the assessee referred to in clauses (*a*) and (*b*) shall be the actual cost to the person succeeded in the business, profession or vocation'."

Clause 21.—In Rule 1 for the word "carried" where it occurs for the first time we recommend that the word "carries" may be substituted, and for the word "gain" the word "gains" may be substituted.

We recommend that in clause (*b*) of Rule 3, for the word "less" the word "loss" may be substituted.

In item (ii) of Rule 5 for the words "received by policy-holders" we recommend that the words "received from policy-holders" may be substituted, and for the words "excluded profits" the words "excludes profits" may be substituted.

2. As the amendments are many and are confusing, we recommend that in order to enable members to follow and consider the amendments carefully, a copy of the Income-tax Act as it will read after the amendments are incorporated, may be got printed and distributed amongst the members. The amendments now proposed to be effected may be printed in italics to draw the attention of the members to them.

3. The Bill was published as required by the rules in the *Mysore Gazette* in English as well as in Kannada on 22nd November 1945.

4. As the Bill has not been materially altered, we recommend that it need not be republished.

O. S. NASRULLA SHERIFF (Chairman)
B. S. RAGHAVENDRA RAO
S. L. MANNAJI RAO
O. VEERABASAPPA
N. CHENNAPPA
*R. VENKATARAMAIYA
MOHAMED ABBAS KHAN
*K. KUPPASWAMY NAIDU
(Mr. BELUR SRINIVASA IYENGAR was absent.)

* These members were present on the first day but were absent on the second day.

[AS AMENDED BY THE SELECT COMMITTEE].

(*Words italisised indecate the amendments suggested by the Committee. Omissions are indicated by asterisks.*)

6. THE MYSORE INCOME-TAX (AMENDMENT) BILL.

A Bill further to amend the Mysore Income-Tax Act, 1923.

WHEREAS it is expedient further to amend the Mysore Income-tax Act, 1923, for the purposes hereinafter appearing;

Short title and commencement.

It is hereby enacted as follows:—

1. (i) This Act may be called the Mysore Income-tax (Amendment) Act, 194 .

Amendment of section 2, Act V of 1923

(ii) It shall come into force on the.....

2. In section 2 of the Mysore Income-tax Act, 1923 (hereinafter referred to as the said Act), after clause 6-A the following clauses shall be inserted, namely:—

"(6-B) "firm", "partner" and "partnership" have the same meanings respectively as in the Mysore Partnership Act, 1936: provided that the expression "partner" includes any person who being a minor has been admitted to the benefits of partnership;

(6-C) "income" includes any sum deemed to be profits under the second proviso to clause (vii) of sub-section (2) of section 10 and the profits of any business of Insurance carried on by *a Mutual Insurance Association* computed in accordance with Rule 8 in Schedule III."

Amendment of section 4, Act V of 1923.

3. In section 4 of the said Act,—

(*a*) In sub-section (2),

(i) for the words "profits and gains of a business" the words "income, profits and gains" shall be substituted;

(ii) for the words "profits and gains" occurring for the second time in that sub-section the words "income, profits and gains" shall be substituted;

(iii) omit the proviso at the end, *i.e.*, the words "provided that they are so received or brought in within three years of the end, of the year in which they accrued or arose."

(*b*) In the explanation to sub-section (2) for the words "profits or gains" the words "income, profits or gains" shall be substituted.

Amendment of section 8, Act V of 1923.

4. In the proviso to section 8 of the said Act, after the word "provided" the word "further" shall be inserted, and before the said proviso as so amended, the following proviso shall be inserted, namely,—

"Provided that no income-tax shall be payable under this section by the assessee in respect of any sum deducted from such interest by way of commission by a banker realising such interest on behalf of the assessee or in respect of any interest payable on money borrowed for the purpose of investment in the securities by the assessee except interest chargeable under this Act which is payable without Mysore, unless in respect of interest which is so chargeable tax has been paid or deducted under section 18 or unless there is a person in Mysore who may be appointed an agent under section 43 in respect of such interest."

Amendment of section 10, Act V of 1923.

5. In section 10 of the said Act,—

(*a*) In sub-section (2),

(i) at the end of clause (iii) the following proviso shall be added, namely,—

"Provided that no allowance shall be made under this clause in any case for any interest chargeable under this Act which is payable without Mysore, except interest on which tax has been paid or from which tax has been deducted under section 18 or in respect of which there is an agent in Mysore who may be assessed under section 43

or, in the case of a firm, for any interest paid to a partner of the firm ";

(ii) in clause (vi) for the words "original cost thereof of the assessee" the words "written down value thereof" shall be substituted ;

(iii) for clause (vii) the following clause shall be substituted, namely—

"(vii) in respect of any machinery or plant which has been sold or discarded, the amount by which the written down value of the machinery or plant exceeds the amount for which the machinery or plant is actually sold or its scrap value :

Provided that such amount is actually written off in the books of the assessee :

Provided further that where the amount for which any such machinery or plant is sold exceeds the written down value, the excess shall be deemed to be profits of the previous year in which the sale took place";

(iv) After clause (viii) the following clause shall be inserted, namely—

"(viii) (a) any sum paid to an employee as bonus or commission for services rendered where such sum would not have been payable to him as profits or dividend if it had not been paid as bonus or commission :

Provided that the amount of the bonus or commission is of a reasonable amount with reference to—

(*a*) the pay of the employee and the conditions of his service ;

(*b*) the profits of the business for the year in question ; and

(*c*) the general practice in similar businesses" ;

(v) for clause (ix) the following clause shall be substituted, namely—

"(ix) any expenditure (not being in the nature of capital expenditure or personal expenses of the assessee) laid out or expended wholly and exclusively for the purpose of such business."

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(vi) At the end of proviso to sub-section (2) add the following, namely—

" and nothing in clause (ix) of sub-section (2) shall be deemed to authorise;

(*a*) any allowance in respect of a payment which is chargeable under the head " salaries " if it is payable without Mysore and tax has not been paid thereon nor deducted therefrom under section 18, or

(*b*) any allowance in respect of any payment by way of interest, salary, commission or remuneration made by a firm to any partner of the firm."

" (b) *For sub-section* (3) *the following sub-section shall be substituted, namely—*

'(3) In sub-section (2), *'paid' means actually paid or incurred according to the method of accounting upon the basis of which the profits or gains are computed under this section; 'plant' includes vehicles, books, scientific apparatus and surgical equipment purchased for the purposes of the business, profession or vocation; and 'written down value' means—*

(a) *in the case of assets acquired in the previous year the actual cost to the assessee;*

(b) *in the case of assets acquired before the previous year the actual cost to the assessee less all depreciation actually allowed to him under this Act, or any act repealed thereby:*

Provided that where the provisions of the proviso to sub-section (2) *of section 26 are applicable, the actual cost to the assessee referred to in clauses* (a) *and* (b) *shall be the actual cost to the person succeeded in the business, profession or vocation'.*"

(*c*) After sub-section (4) the following sub-section shall be added, namely—

" (5) Notwithstanding anything to the contrary contained in sections 8, 9, 10, 12, or 18, the profits and gains of any business of insurance and the tax payable thereon shall be computed in accordance with the rules contained in Schedule III to this Act."

(6) In section 18 of the said Act— Amendment of Section 18, Act V of 1923.

(i) Sub-section (1) shall be omitted and sub-sections (2), (3), (4), (5), (6), (7), (8) and (9) shall be re-numbered as sub-sections (1), (2), (3), (4), (5), (6), (7) and (8), respectively.

(ii) In sub-section (1) as so renumbered the words "and super-tax" shall be added after the words "at the time of payment, deduct income-tax."

(iii) In sub-section (2) as so renumbered the words "unless otherwise prescribed in the case of any security of the Government of Mysore" shall be added after the words "Interest on Securities" and also the words "but not super-tax" shall be added after the words "at the time of payment deduct Income-tax"; and at the end of that sub-section the following proviso shall be inserted, namely :

"Provided that where the Income-tax Officer gives a certificate in writing, which certificate he shall give in every proper case on the application of the assessee, that to the best of his belief the total income of a recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate, the person responsible for paying any income referred to in this sub-section to such recipient shall, until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate, as the case may be."

(iv) After sub-section (2) as so renumbered the following sub-section shall be inserted, namely—

"(2A) Any person responsible for paying to a person not resident in Mysore any interest not being "Interest on securities", or any other sum chargeable under the provisions of this Act, shall, at the time of payment, unless he is himself liable to pay income-tax thereon as an agent, deduct income-tax at the maximum rate."

(v) In sub-section (8) as so renumbered for the words "sub-section (2) shall, at the time of payment of interest, furnish to the person to whom interest is paid" the words "sub-sections (2) and (2A) shall, at the time of payment of the sum from which tax has been deducted, furnish to the person to whom such payment is made" shall be substituted.

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Substitution of a new section for section 19, Act V of 1923.

Payment in other cases.

7. The following section shall be substituted for section 19 of the said Act, namely—

"19. In the case of income in respect of which provision is not made under section 18 for deduction of income-tax at the time of payment, and in any case where income-tax has not been deducted in accordance with the provisions of section 18, income-tax shall be payable by the assessee direct."

Insertion of new section 20-A, Act V of 1923

Supply of information regarding interest.

8. After section 20 of the said Act, the following section shall be inserted, namely—

"20-A. The person responsible for paying any interest not being 'Interest on securities' shall on or before the fifteenth day of September in each year, furnish to the prescribed officer a return in the prescribed manner of the names and addresses of all persons to whom during the previous financial year he has paid interest or aggregate interest exceeding such amount not being less than four hundred rupees as may be prescribed in this behalf, together with the amount paid to each such person."

Insertion of new section 24-A, Act V of 1923.

Assessment in case of departure from Mysore

9. After section 24 of the said Act, the following section shall be inserted, namely—

"24-A (1) When it appears to the Income-tax Officer that any person may leave Mysore during the current financial year, or shortly after its expiry, and that he has no present intention of returning, the income-tax officer may proceed to assess him on his total income of the period from the expiry of the last previous year of which the income has been assessed in his hands to the probable date of his departure from Mysore, or where he has not been previously assessed, on his total income of the period up to the probable date of his departure from Mysore. The assessment shall be made on the total income of each completed previous year included in such period at the rate at which such income would have been charged had it been fully assessed, and as respects the period from the expiry of the last of such completed previous years to the probable date of departure, the Income-tax Officer shall estimate the total income of such person during such period and assess it at the rate in force for the financial year in which such assessment is made :

Provided that nothing herein contained shall authorise an Income-tax Officer to assess any income, profits

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or gains which have escaped assessment or have been under-assessed, or have been assessed at to too low a rate or have been the subject of excessive relief under this Act, but in respect of which he is debarred from issuing a notice under section 34.

(2) For the purpose of making an assessment under sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish within such time not being less than three days as may be specified in the notice, a return in the same form and verified in the same manner as a return under sub-section (2) of section 22, setting forth (along with such other particulars as may be provided for in the notice) his total income for each of the completed previous years comprised in the relevant period referred to in the first sentence of sub-section (1) and his estimated total income for the period from the expiry of the last such completed previous year to the probable date of his departure; and the provisions of this Act, shall, so far as may be, apply as if the notice, were a notice issued under sub-section (2) of section 22."

Amendment of section 34, Act V of 1923.

10. In section 34 of the said Act for the words "within one year" the words "within four years" shall be substituted.

Amendment of section 35, Act V of 1923.

11. In sub-section (1) of section 35 of the said Act for the words "within one year" in both places where they occur the words "within four years" shall be substituted.

Amendment of section 38, Act V of 1923.

12. In section 38 of the said Act, the following clause shall be inserted, after clause (2) changing the full stop at the end of clause (2) into a colon, namely:—

(3) "require any assessee to furnish a statement of the names and addresses of all persons to whom he has paid in any year rent, interest, commission, royalty or brokerage, or any annuity not being an annuity taxable under the head "Salaries" amounting to more than four hundred rupees, together with particulars of all such payments made."

Amendment of section 42, Act V of 1923.

13. In section 42 of the said Act—

(*a*) in sub-section (1),

(i) for the words "all profits or gains" the words "all income, profits or gains" shall be substituted;

(ii) for the words "or property in Mysore" the following words shall be substituted, namely,—"In Mysore, or through or from

any property in Mysore, or through or from any asset or source of income in Mysore, or through or from any money lent at interest and brought into Mysore in cash or in kind";

(iii) for the words "in the name of the agent of any such person, and", the words "either in his name or in the name of his agent, and in the latter case" shall be substituted;

(iv) in the proviso, after the words "provided that", the following shall be inserted, namely—

"where the person entitled to the income, profits or gains is not resident in Mysore, the Income-tax so chargeable may be recovered by deduction under any of the provisions of section 18 and that"

(v) after the proviso the following proviso shall be added, namely:—

"Provided further that any such agent, or any person who apprehends that he may be assessed as such an agent, may retain out of any money payable by him to such non-resident person a sum equal to his estimated liability under this sub-section, and in the event of any disagreement between the non-resident person and such agent or person as to the amount to be so retained, such agent or person may secure from the Income-tax Office a certificate stating the amount to be so retained, pending final settlement of the liability, and the certificate so obtained shall be his warrant for retaining that amount:

Provided that the amount recoverable from such agent or person at the time of final settlement shall not exceed the amount specified in such certificate except to the extent to which such agent or person may at such time have in his hands additional assets of such non-resident person."

Amendment of section 48, Act V of 1923.

14. In sub-section (3) of section 48 of the said Act, after the word "salary" in both places where they occur the words "or any other sum chargeable under the provision of this Act" shall be inserted.

Amendment of section 51, Act V of 1923.

15. In clause (*c*) of section 51 of the said Act, after the words, figures and letter "in section 19-A" the word, figures and letter "section 20-A" shall be inserted.

16. In section 52 of the said Act, after the words, figures and letter " In section 19-A " the words, figures and letter " or section 20-A " shall be inserted. Amendment of section 52, Act V of 1923.

17. In sub-section (2) of section 54 of the said Act— Amendment of section 54, Act V of 1923.

(i) substitute a comma for the colon at the end of clause (d) and add the word " or " after it.

(ii) afrer clause (d) add the following clauses, namely :—

" (*e*) of any such particulars to a Civil Court in any suit to which Government is a party which relates to any matter arising out of any proceeding under this Act, or

(*f*) of so much of such particulars, to the appropriate authority as may be necessary to establish whether a person has or has not been assessed to income-tax in any particular year or years, where under the provisions of any law for the time being in force such fact is required to be established, or

(*g*) of such acts, to a Returning Officer as may be necessary to establish whether a person is or is not entitled to be entered on an electoral roll, or

(*h*) of any such particulars occasioned by the lawful exercise by a public servant of his power under the Mysore Stamp Act, 1900, to impound an insufficiently stamped document.

18. In section 60 of the said Act, the existing section shall be renumbered as sub-section (1) and the following sub-section shall be added, namely :— Amendment of section 60, Act V of 1923.

" (2) where, by reason of any portion of an assessee's salary being paid in arrears or in advance or by reason of his having received in any one financial year salary for more than twelve months or a payment which is under the provisions of sub-section (1) of section 7 of profit in lieu of salary, his income is assessed at a rate higher than that at which it would otherwise have been assessed, the Government may grant the appropriate relief."

19. In sub-section (2) of section 66 of the said Act, Amendment of section 66, Act V of 1923.

(i) for the words " within one month of the passing" the words " within sixty days of the date on which he is served with notice " shall be substituted.

(ii) for the words " within one month of the receipt" the words " within sixty days of the receipt " shall be substituted.

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Insertion of a new section 67-A, Act V of 1923.

20. After section 67 of the said Act, the following section shall be inserted, namely :—

Computation of periods of limitation.

"67-A. In computing the period of limitation prescribed for an appeal under this Act or for an application under section 66 the day on which the order complained of was made; and the time requisite for obtaining a copy of such order, shall be excluded."

Addition of schedule III to Act V of of 1923.

21. The following shall be added as Schedule III to the said Act, namely,—

SCHEDULE III.

Rules for the Computation of the Profits and Gains of Insurance Business.

Section 10 (5)

1. In the case of any person who carries on, or at any time in the preceding year carried on, life insurance business, the profits and gains of such person from that business shall be computed separately from his income, profits or gains from any other business.

2. The profits and gains of life insurance business shall be taken to be either—

(*a*) the gross external incomings of the preceding year from that business less the management expenses, of that year, or

(*b*) the annual average of the surplus arrived at by adjusting the surplus or deficit disclosed by the actuarial valuation made for the last inter-valuation period ending before the year for which the assessment is to be made, so as to exclude from it any surplus or deficit included therein which was made in any earlier inter-valuation period and any expenditure other than expenditure which may under the provisions of section 10 of this Act be allowed for in computing the profits and gains of a business, whichever is the greater:

Provided that the amount to be allowed as management expenses shall not exceed—

(*a*) 7½ per cent of the premiums received during the preceding year in respect of single premium life insurance policies, plus

(*b*) in respect of the first year's premiums received in respect of other life insurance policies for which the

number of annual premiums payable is less than twelve, or for which the number of years during which premiums are payable is less than twelve, for each such premium or each such year 7½ per cent of such first year's premiums received during the preceding year, plus

(*c*) 90 per cent of the first year's premiums received during the preceding year in respect of all other life insurance policies, plus

(*d*) 12 per cent of all renewal premiums received during the preceding year.

3. In computing the surplus for the purpose of Rule 2,—

(*a*) one-half of the amounts paid to or reserved for or expended on behalf of policy-holders shall be allowed as a deduction :

Provided that in the first such compution made under this rule of any such surplus no account shall be taken of any such amounts to the extent to which they are paid out of or in respect of any surplus brought forward from a previous inter-valuation period :

Provided further that if any amount so reserved for policy-holders ceases to be so reserved, and is not paid to or expended on behalf of policy-holders, one half of such amount, if it has been previously allowed as a deduction, shall be treated as part of the surplus for the period in which the said amount ceased to be so reserved ;

(*b*) any amount either written off or reserved in the accounts or through the actuarial valuation balance sheet to meet depreciation of or loss on the realisation of securities or other assets shall be allowed as a deduction, and any sums taken credit for in the accounts or actuarial valuation balance-sheet on account of appreciation of or gains on the realisation of the securities or other assets shall be included in the surplus :

Provided that if upon investigation it appears to the Income-tax Officer after consultation with the Superintendent of Insurance that, having due regard to the necessity for making reasonable provision for bonuses to participating policy-holders and for contingencies, the rate of interest or other factor employed in determining the liability in respect of outstanding policies is materially inconsistent with the valuation of the securities and other assets so as artificially to reduce the surplus, such

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adjustment shall be made to the allowance for depreciation of, or to the amount to be included in the surplus in respect of appreciation of, such securities and other assets, shall increase the surplus for the purposes of these rules to as a figure which is fair and just;

(*c*) interest received in respect of any securities of the Government which have been issued or declared to be income-tax free shall not be excluded but the whole amount of such interest received during the inter-valuation period shall be exempt from income-tax under the second proviso to section 8 though not from super-tax.

4. Where for any year an assessment is made in accordance with the annual average of a surplus disclosed by a valuation for an inter-valuation period exceeding twelve months, then, in computing the tax payable for that year, credit shall not be given in accordance with sub-section (5) of section 18 for the tax paid in the preceding year, but credit shall be given for the annual average of the income-tax paid by deduction at source from interest on securities or otherwise during such period.

5. For the purposes of these rules—

(i) 'Preceding year' means that year for which annual accounts are required to be prepared under the Insurance Act, 1939, immediately preceding the year for which the assessment is to be made or until the commencement of the Insurance Act, 1939, the previous year as defined in section 2 of this Act;

(ii) 'gross external incomings' means the full amount of incomings from interest, dividends, fines and fees and all other incomings from whatever source derived (except premiums received from policy-holders and interest and dividends on any annuity fund) and includes also profits from reversions and on the sale or the granting of annuities, but excludes profits on the realisation of securities or other assets:

Provided that incomings, including the annual value of the property occupied by the assessee, which but for the provisions of sub-section (5) of section 10 would have been assessable under section 9 shall be computed upon the basis laid down in the last named section, and that there shall be allowed from such gross incomings such deductions as are permissible under that section;

(iii) 'management expenses' means the full amount of expenses (including commissions) incurred exclusively

in the management of the business of life insurance, and in the case of a company carrying on other classes of business as well as the business of life insurance in addition thereto a fair proportion of the expenses incurred in the general management of the whole business. Bonuses or other sums paid to or reserved on behalf of Policy-holders, depreciation of, and losses on the realisation of, securities or other assets and any expenditure other than expenditure which may under the provisions of section 10 of this Act be allowed for in computing the profits and gains of a business are not management expenses for the purposes of these rules';

(iv) 'life insurance business' means life insurance business as defined in clause (10) of section 2 of the Insurance Act, 1939;

(v) 'securities' includes stocks and shares.

6. The profits and gains of any business of insurance other than life insurance shall be taken to be the balance of the profits disclosed by the annual accounts, copies of which are required under the Insurance Act, 1939, to be furnished to the Superintendent of Insurance after adjusting such balance so as to exclude from it any expenditure other than expenditure which may under the provisions of section 10 of this Act be allowed for in computing the profits and gains of a business. Profits and losses on the realisation of investments, and depreciation and appreciation of the value of investments shall be dealt with as provided in rule 3 for the business of life insurance.

7. The profits and gains of the Mysore branches of an insurance company not resident in Mysore, in the absence of more reliable data, may be deemed to be the proportion of the total world income of the company corresponding to the proportion which its Mysore premium income bears to its total premium income. For the purpose of this rule, the total world income of life insurance companies not resident in Mysore whose profits are periodically ascertained by actuarial valuation shall be computed in the manner laid down in these rules for the computation of the profits and gains of life insurance business carried on in Mysore.

8. These rules apply to the assessment of the profits of any business of insurance carried on by a mutual insurance association."

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Statement of Objects and Reasons.

The present Income-tax Act in force in Mysore requires certain amendments in order to provide for measures for preventing escapement of taxation, and also to give relief in certain instances to the tax-payer.

The proposals contained in this Bill fall into three groups.—

The first group comprises provisions the object of which is to give relief to the tax-payer These include allowance of expenditure in regard to payments of bonus, commission or other remuneration made by an employer out of profits, which at present are not admissible in the computation of income for taxation.

The second group comprises provisions aimed at the prevention of evasion. Salaries, interest and other payments made to non-residents though liable to income-tax in Mysore are escaping taxation as there is no machinery for assessment or collection. This is now remedied by providing for the deduction of income-tax at source in such cases. This provision also assists Income-tax Officers in dealing with bogus entries of interest, etc., in the accounts produced for verification of returns of income. The proposal in clause 8 is designed in part to enable an assessment to be made on a person who is about to leave the State in the course of a financial year.

The third group comprises miscellaneous amendments which are urgent and necessary and are calculated to remove defects in the existing law. A new schedule as Schedule III is introduced, prescribing rules for the computation of income of life insurance companies, as in the Indian enactment. Its introduction has become necessary in view of the recent judgment of the High Court of Mysore regarding the computation of income in the case of Insurance Companies.

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